

VICTIM IMPACT STATEMENT

Victim: [REDACTED]

USAO Number: 2016R00648

Court Docket Number: 16-CR-00473

We kindly request that this victim impact statement be sealed.

8 May 2017

United States Attorneys Office
Southern District of New York
One St. Andrews Plaza
New York, NY 10007

We write this statement in two parts. First, we give a descriptive background of our interaction and investment with Haena to provide context. Second, we describe the various ways being a victim has impacted our family.

Before we begin, we would like to thank Paul Rooney of the Department of Homeland Security as well as representatives from the CFTC and SEC enough for their hard work and effort in catching and stopping Haena. We only had to live with her lies for about six months. We had to undo the wealth we thought we were accumulating for only a relatively short period of time because of their work. We cannot imagine how her other victims might feel after *years* of thinking their wealth was at a certain level and getting a phone call from U.S. authorities saying there was nothing there.

History of Interactions

We first met Haena Kim in the mid-2000s. She was a friend of a friend and we went sang karaoke together. She had a great education (Harvard), a great professional background (Fortress Investment Group, Goldman Sachs, Morgan Stanley), and she certainly struck us as high performing and highly competent.

In November 2015, our family met Haena and two other friends for a long weekend together. Those two other friends (call them John and Sarah) were also friends with Haena—they were also both her victims. During that weekend she planted the kernel of the idea of giving her money. She used the trust we had in her from knowing her for so long, as well as the mutual network of friends we had (i.e. John and Sarah, the two other victims) as testimonials to spark our initial interest.

She took that initial interest and in the weeks that followed systematically deconstructed our financial situation so that we were essentially 100% reliant on her for advice and “success.” First, she asked us about our entire portfolio (so now we were effectively completely exposed and vulnerable to her). The guise for doing this was that she wanted to make sure any money we gave her fit into an overall strategy that she would

help us think about. Second, she urged us to liquidate any other investments that could be liquidated, because of the upcoming market volatility (which she could capitalize on). Third, she suggested that we invest as much as possible to start with with her and then if we wanted to move money out to pursue other investments, we could do so at a later time. Fourth, she expressed a "sincere" desire to help us reach the retirement that we always wanted since we were friends. Fifth, at the behest of my father (who, unfortunately, I invited to join the scheme and who is also a victim) I even asked her point-blank (paraphrased): "This isn't some kind of Bernie Madoff situation, is it?" to which she replied (paraphrased), "No of course not."

We are intelligent people. In fact, I have some background in the finance industry. She short circuited our otherwise clear thinking by using our trust in her as a substitute for otherwise reasonable answers we would have looked for. Here are some examples of how she did that.

First, as we mentioned in the prior paragraph, she systematically undressed our financial situation (by informing her of everything and creating a situation where our only returns would be through her). This is common and prevalent in abusive relationships, and we believe she did this with intent to create a situation of dependency. She was the only one we could trust and count on, and that reliance was a contributor in us turning a blind eye to potential issues that would otherwise be red flags.

Second, her lie was complicated. It was a lie that took real time and effort to construct and maintain. She talked about launching a full-blown hedge fund, how she had a separate vehicle for friends and family, and how she would migrate our money to the hedge fund so we did not need to worry too much about the friends and family vehicle. She walked us through the returns, the strategy, the powerpoint slide deck she had assembled. We could not imagine that someone we knew for so long (and that so many mutual friends knew for so long) could be such an abject failure and still be able to discuss all these matters in an honest way. Her "presentation" was intentional and deliberate. It was meant to fool us (we now realize, unfortunately).

Third, she played into what we wanted to hear. During one conversation, we asked a question and she responded (paraphrasing): "That's a very good question! That's one of the best questions anyone has ever asked." In retrospect, she said that with the intention of tricking us into feeling confidence in our questions. We were supposedly asking the right questions, and we were supposedly learning what we needed to.

Because of the underlying trust we had from knowing her for so long (and her being friends with multiple mutual friends), everything that could have been a red flag was either not perceived by us, or it was spun into a more positive interpretation. We could not have avoided giving her money once she "hooked" us. She used that trust to make sure of it.

One can imagine that Haena "turned" criminal for one of two reasons: it was either a few unfortunate decisions that she tried to fix and fell further into the wrong course of behavior or it was a systematic effort to criminally steal and defraud from her closest friends and family. We believe that distinction is irrelevant by the time she targeted us. By the time she was trying to get money from us in late 2015, it was manifest that she was committing a crime. Yet, she still took our money. She took that money after meeting our children, holding them, and telling us how lovely they are.

When we first met her we were struck by how methodical, driven, and unemotional she was. We thought those were the characteristics of someone who would make for an excellent investor: someone who is detached and only cared about precision and performance. Unfortunately, all her characteristics that we thought would make her a good investor, we now realize are the characteristics that made her an effective thief. She is calculating, unemotional, and detached from a reality where she would have to acknowledge causing real harm to others. It's all too obvious now. Unfortunately for us, it's all in retrospect and now we have to deal with the loss caused by her crime.

Impact

Money is a means of trading past work for future consumption. In that way, we think of our loss in two ways: how we came to the money that she stole and what we could have used it for in the future that we can no longer do.

It took us over ten years extremely hard work to earn the money that she stole from us. Over that time, we were conscientious about all our financial decisions so we could save money during our formative earning years. My wife cut my hair to save on outside haircutting costs. We lived in smaller apartments to save money on housing expenses. My wife went back to work less than two weeks after our first son was born so she could continue to earn money. We were very conservative about our purchasing habits.

We know for a fact that Haena over this same period was living as she wished. She stayed at a very nice hotel when we went on that trip together in 2015, while we stayed at a less expensive place to save money. She bought a house for her parents. She ate at nice restaurants. She stayed in an expensive apartment in Manhattan. She was not living the life of someone who was trying to right old wrongs by trying to make up investment losses. She was literally enjoying the fruits of our sacrifice and labor. Thinking of this makes me deeply angry.

We wanted to save that money so that when our second son was born, my wife did not have to worry about continuing to work as consistently to earn as she had in the previous decade. She could stay with the children to enjoy the years they are at home before starting school. We are now in that situation and she is not able to enjoy the freedom she earned with her hard work. She now lives with the constant burden of thinking that she ought not be spending time with the children; that she should be working to re-accumulate what we lost. It is not fair to her as a mother.

We have also lost the security and confidence of knowing we are going to be able to care for our parents when they get older. Our parents came to the U.S. specifically so that we could have opportunities to improve our lives. We feel it is our duty to honor the years they worked incredibly hard by giving them years of peace and enjoyment in their twilight years. Haena robbed us of that. The ways we wanted to take care of our parents are now substantially limited. We cannot give our parents the experiences that we had hoped to. We will not recover quickly enough financially to be able to do so while they are alive.

She did not only steal from us. She stole from our two children. They were four years old and two years old at the time she met them. She held them in her arms and she knowingly, with intent, and systematically robbed them of their future trajectory. She stole the promise of future opportunities we could have provided our children. It hurts. We want to make sure our children have every opportunity to learn and experience what they want. We have to second guess every decision we make now.

Fortunately, our marriage is strong. Did Haena consider that possibility that this kind of loss can easily tear marriages apart? The stress of the loss could easily weigh down a couple and make it difficult to come out together on the other side. What, then, would have happened? Fortunately, for us, the impact is real and substantial and we will continue to carry it for the rest of our lives, but we fought to avert the worst. That is our success. But we doubt that Haena considered any of these things when she decided to steal from us.

The amount of money we lost was significant. She stole the previous decade that we worked and sacrificed to save money and the next decade (at least) we will need to recover. The money represented so many things to my wife and I. It was our safety net. It was for our retirement years. It was providing our children with every opportunity as they grow and learn. It was to give our parents the retirement they deserve. All this is gone. Now, every time we spend money it is excruciating and stressful to us. There has been a real toll on how we live day to day. The impact is permanent. And we will carry it for the rest of our lives.

My understanding (as reported by Reuters) is that at her plea she said, "I am deeply ashamed and remorseful." We do not think there is an ounce of true shame or remorse in her. How could she take money from a family with young children that she met, picked up in the air, and expressed her affection for? How could she take money from people she knew for over 10 years? How could she take money from my 70+ year old parents who are obviously close to retirement? How could she take this money when her activities were clearly illegal and failures? We believe she is only expressing sentiments and saying the word that she needs to in court. We firmly believe she would be carrying on today had it not been for the diligent and proactive work and effort of the Department of Homeland Security, SEC, and CFTC. The time to express remorse and shame is the time when it is most difficult to do so, not when it is most expedient and self-serving.